



MORGAN COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

AGREED UPON PROCEDURES

**FOR THE COST REPORTING PERIOD
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
AND
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



Dave Yost • Auditor of State

MORGAN COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Division of Fiscal Administration - Audit Office
Ohio Department of Developmental Disabilities
30 E. Broad Street, 13th Floor
Columbus, Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) HCBS Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the Morgan County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2009 and 2010 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2009 and 2010 (Cost Report Guides) and to assist you in evaluating whether reported receipts and disbursements complied with 2 CFR 225 (OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. The County Board's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DODD. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Statistics – Square Footage

1. DODD requested us to tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space and, if final 2008 square footage totals are the same and no significant changes in the floor plan have occurred, to perform no additional procedures.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space.

2. DODD requested us to report variances if the County Board's square footage for three rooms varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We measured three rooms and compared the square footage to the County Board's square footage summary.

We found no square footage variances exceeding 10 percent for rooms that were measured.

3. DODD requested us to report variances if the County Board's square footage for one floor plan varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We compared one building and traced each room on the floor plan to the County Board's summary for each year. We found variances exceeding 10 percent when comparing the total square footage of one floor plan to the County Board's summary and we reported these variances in Appendix A (2009) and Appendix B (2010).

4. DODD requested us to report variances if the County Board's square footage summary varied by more than 10 percent when comparing the County Board's summary to the Cost Report for any cell within *Schedule B-1, Section A, Square Footage* worksheet.

We compared the County Board's square footage summary to the square footage reported for each cell in *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We found variances exceeding 10 percent and we reported these variances in Appendix A (2009) and Appendix B (2010).

5. DODD asked us to obtain the County Board's methodology for allocating square footage between programs and review the methodology to ensure that square footage for areas shared by more than one type of service is allocated by program based on reported usage of the area in accordance with the Cost Report Guides.

We obtained the County Board's methodology for allocating square footage and compared the methodology with the Cost Report Guides.

The County Board reported the same square footage in the 2009 and 2010 cost reports. Therefore we tested the 2009 methodology, and applied the results to both years' cost reports. We found no inconsistencies between the County Board's methodology and the Cost Report Guide.

Statistics – Attendance

1 We reviewed the Cost Reports to determine if individuals served or units of service were omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which result in unassigned program or general expenses-all program costs.

We determined that there were no individuals served or units of service omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which resulted in unassigned program or general expenses-all program costs.

2. DODD asked us to compare the County Board's final 2008 typical hours of service reported on *Schedule B-1, Section B, Attendance statistics* to the typical hours of service reported on *Schedule B-1* for 2009 and 2010 and, if the hours are the same, to do no additional procedures.

We compared the final 2008 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2009 and 2010.

We found the typical hours of service figure was omitted from the 2009 cost report. This adjustment was noted on Appendix A (2009).

3. DODD requested us to report variances if the Board's attendance statistics were not within two percent of the attendance statistics reported.

We compared the County Board's Total Days of Attendance report for the number of individuals served and days of attendance, with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports and determined if the statistics were reported in accordance with the Cost Report Guides. We also footed the County Board's Total Days of Attendance report for accuracy.

We found no variances or computational errors exceeding two percent.

4. DODD requested us to report variances if the County Board's number of individuals served varied by more than 10 percent when compared to the prior year's final attendance statistics on *Schedule B-1, Section B, Attendance Statistics*.

We compared the County Board's final 2008 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation for 2009 and the final 2009 individual served to the final individuals served for 2010 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variances were over 10 percent.

The number of reported individuals served did not change by more than 10 percent from the prior year's Schedule B-1.

5. If the individuals served varied by more than 10 percent from the prior audit, DODD requested us to report the variances if the individuals served on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports were not within three of the individuals documented on the attendance sheets

We did not perform this procedure as there were no variances exceeding 10 percent from the prior year's Schedule B-1.

6. DODD requested us to report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the 15 minute community employment units tested were not calculated in accordance with the Cost Report Guide.

We did not perform this step because the County Board did not provide a Community Employment program.

Statistics – Transportation

1. DODD requested us to report variances if the Board's transportation units were not within two percent of total units reported on each line of *Schedule B-3 Quarterly Summary of Transportation Statistics*.

We compared the number of one-way trips from the County Board's Quarterly Transportation report with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports. We also footed the County Board's Quarterly Transportation report for accuracy.

We found no variances or computational errors exceeding two percent.

2. DODD requested us to report variances of more than 10 percent of the total trips taken for five individuals for both 2009 and 2010, between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for five individuals for 2009 and five individuals for 2010 from the County Board's daily reporting documentation to *Schedule B-3, Quarterly Summary of Transportation Services*.

We found no differences.

3. DODD requested us to report variances if the Board's cost of bus tokens/cabs was not within two percent of the total amount reported on *Schedule B-3 Quarterly Summary of Transportation Statistics*.

We did not perform this procedure as the County Board did not report the cost of bus tokens, cabs on *Schedule B-3* of the Cost report for 2009 or 2010. However, we did review the County Board's detailed expenditure report for any of these costs not identified by the County Board (see procedures and results in the Non-Payroll Expenditures and Reconciliation to the County Audit Report Section).

Statistics – Service and Support Administration (SSA)

1. DODD requested us to report variances if the Board's SSA units were not within two percent of total units reported on each line of *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable and SSA Unallowable) from the County Board's TCM Units report (2009) and the Receivable Billing Reimbursement Summary (2010) with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*. We also footed the County Board's Quarterly SSA reports for accuracy.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

2. DODD requested us to report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent and indicated a systemic issue.

We haphazardly selected a sample of 83 Other SSA Allowable units for both 2009 and 2010 from the Morgan Unit Entry By Date Span report (2009) and the Receivable Billing Reimbursable Detail report (2010) and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F). We also determined if the units for Other Allowable SSA services for both 2009 and 2010 were provided to individuals that were not Medicaid eligible at the time of service delivery per the Medicaid Information Technology System (MITS).

From the sample population of 1,221 Other SSA Allowable units for 2009, we selected our sample of 63 units and found 57.1 percent of those units were for individuals Medicaid eligible at the time of service delivery and we projected and then reclassified 669 units as TCM units.

We reported the differences in Appendix A (2009).

From the sample population of 295 Other SSA Allowable units for 2010, we selected our sample of 60 units and found 40 percent of those units were for individuals Medicaid eligible at the time of service delivery and we projected and then reclassified 100 units as TCM units.

We reported these differences in Appendix B (2010).

The County Board stated they do not have a process in place to determine ongoing Medicaid eligibility. Currently, the only way to determine Medicaid Eligibility is during the intake process, which occurs annually. During that time, individuals receiving services could fall off Medicaid while continuing to receive services; however, the Board does not get reimbursed for those services the individual receives while not enrolled on Medicaid.

Recommendation:

We recommend that the County Board develop a process to determine Medicaid eligibility of individuals served and ensure that TCM services to Medicaid eligible recipients are appropriately classified as Line 1-TCM units on *Schedule B-4, Quarterly Summary of Units of Service - Service and Support Administration* as required by the Cost Report Guide. Section *Schedule B-4, Quarterly Summary of Units of Service - Service and Support Administration* of the Cost Report Guide states in pertinent part, "Units of Service, for purposes of this schedule, are to be separated into two categories as denoted below. The below activities generate units of service for statistical purposes. Allowable Units (Units generated by performing activities noted in Columns (A) and (C) below:

- TCM – Medicaid Eligible Individuals;
- Other SSA Allowable Units – Non-Medicaid Eligible Individuals; and
- Transition Coordination services provided under the Home Choice demonstration grant."

3. DODD requested us to report variances if the SSA Unallowable units tested had an error rate exceeding 10 percent and indicated a systemic issue.

We haphazardly selected a sample of 91 Unallowable SSA service units for both 2009 and 2010 from the Detailed Units Marked Non Billable report (2009) and the Case Management reports (2010) and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent of our sample for 2009 and/or 2010.

4. DODD requested us to report decreases exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final cost report.

We compared the final 2008 SSA units to the final 2009 SSA units and compared the final 2009 SSA units to the final 2010 SSA units.

The final units decreased by more than five percent from the prior year's *Schedule B-4* and we obtained the County Board's explanation that general time units were reported in 2008 in error and the County Board had an increase in eligibility determinations. We reported no variances in Appendix A (2009) and Appendix B (2010).

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2009 and 12/31/2010 County Auditor's Statement of Cash Position for MR/DD, R/DD FRS and MRDD ARRA Stimulus funds to the County Auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

2. DODD asked us to determine whether total County Board receipts reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total receipts for these funds.

Total county board receipts were within 1/4 percent of the county auditor yearly receipt totals reported for these funds.

3. DODD asked that we compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Account Code Detail Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We did not perform this procedure since the total County Board receipts were within 1/4 percent of the County Auditor yearly receipt totals in Procedure 2 above.

4. We compared revenue entries on *Schedule C Income Report* to the Mid-East Ohio Regional Council of Government (COG) prepared County Board Summary Workbook.

We found differences we reported in Appendix A (2009) and Appendix B (2010).

5. We reviewed the County Board's State Account Code Detailed Report and *Schedule C Income Report* to determine whether revenues are maintained separately to offset corresponding expense via the use of specific expenditure costs centers and identified any potential revenue offsets/applicable credits.

We identified the following sources of potential revenue credits for which the County Board did not offset costs on the Cost Reports in accordance with 2 CFR 225, Appendix A (C)(3)(c) and (4)(a):

- Title XX revenues in the amount of \$15,667 in 2009 and \$10,264 in 2010;
- Reimbursement for consulting contract in the amount of \$1,200 in 2009 and \$1,675.00 in 2010;
- Reimbursement for vehicle operator in the amount of \$4,398 in 2009 and \$3,609 in 2010;
- Reimbursement for van glass replacement in the amount of \$527 in 2009; and
- Reimbursement of 10% Waste Water Treatment in the amount of \$162 in 2009.

Paid Claims Testing

1. We selected 50 paid claims among all service codes from 2009 and 2010 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code Sections 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(F):

- Date of service;
- Place of service;
- Name of the recipient;
- Name of the provider;
- Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
- Type of service (for homemaker/personal care, type must include if routine, on-site/on-call, or level one emergency);
- Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided; and

- Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.¹

Recoverable Finding – 2009:

\$139.07

We determined the County Board was over reimbursed for 4 units of Non-Medical Transportation - One-way trip - Eligible vehicle (ATB) service and 6 units of Non-Medical Transportation - One-way trip - Eligible vehicle (FTB) in which the County Board was reimbursed for field trips.

Service Code	Units	Review Results	FFP1 Amount	eFMAP2 Amount	Total Finding
ATB	4	field trips were reimbursed	\$48.02	\$7.61	\$55.63
FTB	6	field trips were reimbursed	\$72.03	\$11.41	\$83.44
TOTAL					\$139.07

1 Federal Financial Participation Amount (FFP)

2 Enhanced Federal Medical Assistance Percentage (eFMAP)

Recoverable Finding – 2010:

\$981.05

We determined the County Board was over reimbursed for 32 units of Non-Medical Transportation - One-way trip - Eligible vehicle (ATB) and 38 units of Non-Medical Transportation - One-way trip - Eligible vehicle (FTB) service in which they billed for transportation on a date the County Board was not in operation. We also determined the County Board was over reimbursed for 1 unit of Targeted Case Management (TCM) in which the case note was blank.

Service Code	Units	Review Results	FFP1 Amount	eFMAP2 Amount	Total Finding
ATB	32	CB was not in operation	\$384.17	\$60.88	\$445.05
FTB	38	CB was not in operation	\$456.21	\$72.29	\$528.50
TCM	1	No documentation	\$6.48	\$1.02	\$7.50
TOTAL					\$981.05

¹ For non-medical transportation (service codes) we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18(H)(1)-(2) excluding (H)(1)(d),(f),(j) and (H)(2)(d),(f).

- 1 Federal Financial Participation Amount (FFP)
- 2 Enhanced Federal Medical Assistance Percentage (eFMAP)

2. DODD requested us to report variances if units reimbursed by Medicaid were more than the units reported in the Cost Reports.

We compared the number of reimbursed TCM units and Community Employment units from the MBS Summary by Service Code report, to the final units on *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration, Line (1)(F), TCM Units* and to *Schedule B-1, Section B, Attendance Statistics, Line (4)(C), Supported Employment – Community Employment, 15 minute units*, respectively.

We found no instances where the Medicaid reimbursed units were greater than audited TCM units.

3. DODD requested us to report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* worksheet by two percent.

We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program, Lines (20) to Line (25)* for Community Residential to the amount reimbursed for these services in 2009 and 2010 on the MBS Summary by Service Code report.

We found no differences.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the 12/31/2009 and 12/31/2010 County Auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the County Auditor's Statement of Cash Position report balances for the MR/DD, MR/DD FRS and MRDD Arra Stimulus funds.

We found no differences.

2. DODD asked us to determine whether total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the County Auditor's yearly report of total disbursements for these funds.

Total county board disbursements were within 1/4 percent of the county auditor yearly disbursement totals reported for these funds.

3. DODD asked that we compare the account description and amount for each reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Expense Detailed Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We did not perform this procedure since total County Board disbursements were within 1/4 percent of the County Auditor yearly disbursement totals in Procedure 2 above.

4. DODD asked us to compare the County Board disbursements on the State Expenses Detailed reports to the amounts reported on Worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any Worksheet.

We compared all Service Contract and Other Expenses entries on Worksheets 2 through 10 to the County Board's State Expenses Detailed reports.

We found differences as reported in Appendix A (2009). We found no differences in 2010.

5. We compared disbursement entries on Schedule A, Summary of Service Costs – By Program and Worksheets 2 through 10 to the MEROC COG prepared County Board Summary Workbook.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

6. DODD asked us to determine whether total County Board disbursements on the State Expenses Detailed reports were properly classified, on Worksheets 2 through 10, within two percent of total service contracts and other expenses for each individual Worksheet and that no Worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's State Expenses Detailed reports for service contracts and other expenses in the following columns and worksheets: Column X-Gen Expense all Programs on Worksheets 2, 3 and 8; Column N-Service and Support Admin Costs on Worksheet 9; and Columns E-Facility Based Services on Worksheet 10 and reviewed documentation to identify disbursements not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

We found differences as reported in Appendix A (2009) and Appendix B (2010) for misclassified and non-federal reimbursable costs.

7. We scanned the County Board's State Expenses Detailed for items purchased during 2009 and 2010 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Fixed Asset Listing.

We found no unrecorded purchases meeting the capitalization criteria.

8. We haphazardly selected 20 disbursements from 2009 and 2010 from the County Board's State Expenses Detailed report that were classified as service contract and other expenses on Worksheets 2-10 (not selected for scanning under Step 5 above). We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We found no differences in 2009. We reported differences from these procedures in Appendix B (2010) for misclassified costs.

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board's procedures regarding capitalization of fixed assets with the Cost Report Guides for preparing *Worksheet 1, Capital Costs* and 2 CFR 225 (OMB Circular A-87, Appendix B, 15(a)(2)).

We found no inconsistencies between the County Board's capitalization procedures and the guidelines listed above.

2. We compared the County Board's final 2008 Depreciation Schedule to the County Board's 2009 and 2010 Depreciation Schedules for changes in the depreciation amounts for assets purchased prior to the periods under review which were not in compliance with the Cost Report Guides.

We found no differences.

3. DODD asked us to compare the depreciation costs reported in the County Board's depreciation schedule to the amounts reported on Worksheet 1, Capital Costs, and to report variances exceeding \$100.

We compared all depreciation entries reported on *Worksheet 1, Capital Costs* to the County Board's Depreciation Schedule.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

4. We scanned the County Board's Depreciation Schedule for 2009 and 2010 for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

We reported differences for purchases that were not properly capitalized in Appendix A (2009) and Appendix B (2010).

5. We haphazardly selected one County Board fixed asset which met the County Board's capitalization policy and purchased in either 2009 or 2010 to determine if its useful life agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for this asset, based on its cost, acquisition date and period of useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We found no difference.

6. We selected seven disposed assets from 2009 and 2010 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. We also recalculated depreciation and any gain or loss applicable to 2010, for the disposed items based on its un-depreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2009 and 2010 cost reports were within two percent of the county auditor's report totals for MR/DD, MR/DD FRS and MRDD ARRA Stimulus funds.

We totaled salaries and benefits from Worksheets 2-10 from the 2009 and 2010 cost reports and compared the yearly totals to the county auditor's Expense Audit Trail reports.

The variance was less than two percent.

2. DODD asked us to compare the County Board disbursements on the State Expenses Detailed Report to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all Salary and Employee Benefit entries on worksheets 2 through 10 to the County Board's State Expenses Detailed Reports.

We found differences as reported in Appendix A (2009). We found no differences in 2010.

3. We selected 8 employees and compared the County Board's organizational chart and payroll reports to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We reported differences from these procedures in Appendix A (2009) and Appendix B (2010) and because misclassification errors exceeded 10 percent of the sample size we performed Procedure 4 below.

4. DODD asked us to scan the County Board's State Expenses Detailed Reports for 2009 and 2010 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides if the errors in Procedure 3 above exceeded 10 percent.

We scanned the County Board's Payroll Totals by Job Description report for 2009 and 2010 and compared classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

Medicaid Administrative Claiming (MAC)

1. DODD asked us to contact its Office of Audits to report differences if the MAC salary and benefits exceeded the County Board's payroll records by one percent or more.

We compared the salary and benefits entered on the Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) reports to the County Board's payroll and benefits by date span summary reports.

We found no variance exceeding one percent.

2. We compared the original Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) Report(s) to Worksheet 6, columns (I) and (O) for both years.

We reported differences in Appendix A (2009) and Appendix B (2010).

3. We compared Ancillary Costs on the Roll Up Report for the Ohio Department of Job and Family Services to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We reported differences in Appendix A (2009) and Appendix B (2010).

4. We selected 5 RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the fourth quarter of 2010 in

which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the County Board employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2010.

We found no differences.

We did not receive a response from officials to the exceptions noted above.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the County Board's Cost Reports. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the managements of the County Board, DODD, the Ohio Department of Job and Family Services, and the Centers for Medicare and Medicaid Services and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

January 28, 2013

cc: Mary Ann Chamberlain, Superintendent, Morgan County Board of Developmental Disabilities
Diana Cline, Business Manager, Morgan County Board of Developmental Disabilities
Roger Calendine, Board President, Morgan County Board of Developmental Disabilities

Appendix A
Morgan County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section A				
5. Speech/Audiology (C) Child	30	(30)	-	To correct square footage
7. Occupational Therapy (C) Child	30	(30)	-	To correct square footage
8. Physical Therapy (C) Child	30	(30)	-	To correct square footage
11. 0-2 Age Children (C) Child	30	(30)	-	To correct square footage
14. Facility Based Services (B) Adult	8,533	(789)	7,744	To correct square footage
17. Medicaid Administration (A) MAC	-	93	93	To reclassify MAC square footage
21. Service And Support Admin (D) General	1,971	(1,881)	90	To correct square footage
23. Administration (D) General	334	(93)	241	To reclassify MAC square footage
Schedule B-1, Section B				
3. Typical Hours Of Service (A) Facility Based Services	-	6	6	To report typical hours of service
Schedule B-4				
1. TCM Units (D) 4th Quarter	2,146	306	3,121	To correct TCM units
		669		To project TCM units
2. Other SSA Allowable Units (B) 2nd Quarter	250	(250)	-	To project TCM units
2. Other SSA Allowable Units (C) 3rd Quarter	231	(231)	-	To project TCM units
2. Other SSA Allowable Units (D) 4th Quarter	359	(188)	171	To project TCM units
5. SSA Unallowable Units (A) 1st Quarter	2,588	(2,588)	-	To correct TCM units
5. SSA Unallowable Units (B) 2nd Quarter	2,358	(2,358)	-	To correct TCM units
5. SSA Unallowable Units (C) 3rd Quarter	2,784	(2,784)	-	To correct TCM units
5. SSA Unallowable Units (D) 4th Quarter	2,271	(1,761)	510	To correct TCM units
5. SSA Unallowable Units (E) COG Activity			-	
Worksheet 1				
5. Movable Equipment (E) Facility Based Services	- \$	832 \$	832	To correct depreciation
5. Movable Equipment (U) Transportation	22,366 \$	163 \$	22,529	To correct depreciation
5. Movable Equipment (X) Gen Expenses All Prgm.	- \$	2,863 \$	2,863	To correct depreciation
8. COG Expenses (L) Community Residential	847 \$	(686) \$	161	To agree to audited COG amounts
8. COG Expenses (N) Service & Support Admin	440 \$	(355) \$	85	To agree to audited COG amounts
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	62,992 \$	17,902 \$		To agree to compiled amounts
		(59,215) \$		To correct MAC amounts
		263 \$	21,942	To reclassify leave payout
2. Employee Benefits (X) Gen Expense All Prgm.	37,166 \$	6,502 \$	43,668	To agree to compiled amounts
3. Service Contracts (X) Gen Expense All Prgm.	62,431 \$	338 \$		To agree to compiled amounts
		(1,192) \$		To reclassify fees paid to COG
		(15,852) \$	45,725	To reclassify fees paid to COG
4. Other Expenses (O) Non-Federal Reimbursable	- \$	1,819 \$	1,819	To reclassify non-federal reimbursable expenses
4. Other Expenses (X) Gen Expense All Prgm.	26,138 \$	3,328 \$		To agree to compiled amounts
		(1,819) \$		To reclassify non-federal reimbursable expenses
		(2,757) \$	24,890	To reclassify capital lease payments
5. COG Expenses (L) Community Residential	4,277 \$	2,896 \$	7,173	To agree to audited COG amounts
5. COG Expense (N) Service & Support Admin	2,220 \$	1,588 \$	3,808	To agree to audited COG amounts
10. Unallowable Fees (O) Non-Federal Reimbursable	31,612 \$	31,216 \$		To record real estate fees
		(4,550) \$	58,278	To reclassify fees paid to COG
Worksheet 2A				
1. Salaries (E) Facility Based Services	55,758 \$	(55,495) \$		To reclassify salaries for first line supervisors
		(263) \$	-	To reclassify leave payout
1. Salaries (N) Service & Support Admin	41,760 \$	(41,885) \$		To reclassify salaries for first line supervisors
		125 \$	-	To agree to compiled amounts
2. Employee Benefits (E) Facility Based Services	17,013 \$	(17,013) \$		To reclassify benefits for first line supervisors
2. Employee Benefits (N) Service & Support Admin	23,691 \$	(23,691) \$		To reclassify benefits for first line supervisors
4. Other Expenses (E) Facility Based Services	14,778 \$	820 \$		To agree to compiled amounts
		(12,500) \$	3,098	To reclassify non-federal reimbursable settlement costs
4. Other Expenses (L) Community Residential	1,617 \$	(1,517) \$	100	To agree to compiled amounts
4. Other Expenses (N) Service & Support Admin	3,106 \$	146 \$	3,252	To agree to compiled amounts
4. Other Expenses (O) Non-Federal Reimbursable	- \$	12,500 \$	12,500	To reclassify non-federal reimbursable settlement costs
Worksheet 3				
4. Other Expenses (X) Gen Expense All Prgm.	34,784 \$	(800) \$	33,984	To agree to compiled amounts
5. COG Expenses (L) Community Residential	161 \$	8 \$	169	To agree to audited COG amounts
5. COG Expenses (N) Service & Support Admin	83 \$	6 \$	89	To agree to audited COG amounts
Worksheet 5				
4. Other Expenses (M) Family Support Services	13,350 \$	205 \$		To agree to compiled amounts
		(7,759) \$	5,796	To reclassify fees paid to COG
5. COG Expenses (L) Community Residential	28,254 \$	(633) \$	27,621	To agree to audited COG amounts
Worksheet 6				
1. Salaries (I) Medicaid Admin	17,776 \$	119,021 \$	136,797	To correct MAC amounts
1. Salaries (O) Non-Federal Reimbursable	- \$	85,826 \$	85,826	To correct MAC amounts
Worksheet 8				
1. Salaries (E) Facility Based Services	95,034 \$	(23,051) \$	71,983	To agree to compiled amounts
2. Employee Benefits (E) Facility Based Services	73,697 \$	(10,620) \$	63,077	To agree to compiled amounts
3. Service Contracts (E) Facility Based Services	25,020 \$	(3,750) \$	21,270	To agree to compiled amounts
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	119,837 \$	41,885 \$		To reclassify salaries for first line supervisors
		(125) \$		To agree to compiled amounts
		(49,354) \$	112,243	To correct MAC amounts
2. Employee Benefits (N) Service & Support Admin. Costs	72,433 \$	23,691 \$		To reclassify benefits for first line supervisors
		488 \$	96,612	To agree to compiled amounts
3. Service Contracts (N) Service & Support Admin. Costs	29,589 \$	(23,778) \$	5,811	To reclassify fees paid to COG
Worksheet 10				
1. Salaries (E) Facility Based Services	155,380 \$	55,495 \$		To reclassify salaries for first line supervisors
		5,149 \$		To agree to compiled amounts
		(96,279) \$	119,745	To correct MAC amounts
2. Employee Benefits (E) Facility Based Services	115,477 \$	17,013 \$		To reclassify benefits for first line supervisors
		4,119 \$	136,609	To agree to compiled amounts

Appendix A
Morgan County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
3. Service Contracts (E) Facility Based Services	13,606	\$ (12,500)	\$ 1,106	Community Employment expenses misclassified
3. Service Contracts (G) Community Employment	-	\$ 12,500	\$ 12,500	Community Employment expenses misclassified
a1adult				
10. Community Employment (B) Less Revenue	-	\$ 12,500	\$ 12,500	To off-set Pathways grant expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Real Estate Fees	-	\$ (31,216)	\$ (31,216)	To reconcile off real estate fees
Plus: Capital Lease Payments	-	\$ 2,757	\$ 2,757	To reclassify capital lease payments
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	-	\$ 1,192		To reclassify fees paid to COG
	\$	23,778		To reclassify fees paid to COG
	\$	4,550		To reclassify fees paid to COG
	\$	7,759		To reclassify fees paid to COG
	\$	15,852	\$ 53,131	To reclassify fees paid to COG
Less: Capital Costs	(57,734)	\$ (3,858)	\$ (61,592)	To reconcile off depreciation
Less: COG capital costs	(1,287)	\$ 1,287	-	To remove duplicate reconciling item
Medicaid Administration Worksheet				
Lines 6 -10 Ancillary Costs	-	\$ 10,563	\$ 10,563	To report ancillary costs

Appendix B
Morgan County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
19. Room and Board/Cost to Live (L) Community Residential	\$ -	\$ 2,250	\$ 2,250	To agree to audited COG amounts
Schedule B-1, Section A				
4. Nursing Services (B) Adult	-	21	21	To correct square footage
5. Speech/Audiology (C) Child	30	(30)	-	To correct square footage
8. Physical Therapy (C) Child	30	(30)	-	To correct square footage
11. Early Intervention (C) Child	30	(30)	-	To correct square footage
14. Facility Based Services (B) Adult	9,243	(1,434)	7,809	To correct square footage
17. Medicaid Administration (A) MAC	-	99	99	To reclassify MAC square footage
21. Service And Support Admin (D) General	1,971	(1,881)	90	To correct square footage
22. Program Supervision (B) Adult	220	(52)	168	To correct square footage
23. Administration (D) General	334	(99)	235	To reclassify MAC square footage
24. Transportation (D) General	-	51	51	To correct square footage
Schedule B-4				
1. TCM Units (D) 4th Quarter	4,015	100	4,115	To project TCM units
2. Other SSA Allowable Units (D) 4th Quarter	-	295	295	To correct TCM units
		(100)	195	To project TCM units
5. SSA Unallowable Units (A) 1st Quarter	18	(18)	-	To correct TCM units
5. SSA Unallowable Units (B) 2nd Quarter	59	(59)	-	To correct TCM units
5. SSA Unallowable Units (C) 3rd Quarter	91	(91)	-	To correct TCM units
5. SSA Unallowable Units (D) 4th Quarter	127	(127)	-	To correct TCM units
		296	296	To correct TCM units
5. SSA Unallowable Units (E) COG Activity	-	-	-	
Worksheet 1				
2. Land Improvements (X) Gen Expense All Prgm.	\$ 27,848	\$ (156)	\$ 27,692	To correct depreciation
5. Movable Equipment (E) Facility Based Services	\$ 173	\$ 659	\$ 832	To correct depreciation
5. Movable Equipment (O) Non-Federal Reimbursable	\$ -	\$ 20,606	\$ 20,606	To record loss on donated vehicle
5. Movable Equipment (U) Transportation	\$ 139,559	\$ (90,341)	\$ 49,218	To correct depreciation
		\$ 659	\$ 49,877	To correct depreciation
5. Movable Equipment (X) Gen Expenses All Prgm.	\$ 156	\$ 2,707	\$ 2,863	To correct depreciation
8. COG Expenses (L) Community Residential	\$ -	\$ 41	\$ 41	To agree to audited COG amounts
8. COG Expenses (M) Family Support Services	\$ -	\$ 32	\$ 32	To agree to audited COG amounts
8. COG Expenses (N) Service & Support Admin	\$ -	\$ 38	\$ 38	To agree to audited COG amounts
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 127,176	\$ (83,366)	\$ 43,810	To correct MAC amounts
		(15,979)	27,831	To reclassify facility based salaries
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 76,239	\$ (4,149)	\$ 72,090	To reclassify facility based benefits
3. Service Contracts (X) Gen Expense All Prgm.	\$ 13,048	\$ (2,519)	\$ 10,529	To reclassify fees paid to COG
		(1,125)	9,404	To reclassify capital lease payments
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 2,625	\$ 2,625	To reclassify non-federal reimbursable expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 37,630	\$ (2,625)	\$ 35,005	To reclassify non-federal reimbursable expenses
5. COG Expenses (L) Community Residential	\$ -	\$ 3,430	\$ 3,430	To agree to audited COG amounts
5. COG Expense (M) Family Support Services	\$ -	\$ 2,678	\$ 2,678	To agree to audited COG amounts
5. COG Expense (N) Service & Support Admin	\$ -	\$ 3,216	\$ 3,216	To agree to audited COG amounts
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,507	\$ 2,507	To agree to audited COG amounts
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 26,924	\$ 32,339	\$ 59,263	To record real estate fees
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 37,280	\$ (37,280)	\$ -	To reclassify salaries for first line supervisors
1. Salaries (N) Service & Support Admin	\$ 33,023	\$ (33,023)	\$ -	To reclassify salaries for first line supervisors
2. Employee Benefits (E) Facility Based Services	\$ 44,367	\$ (44,367)	\$ -	To reclassify benefits for first line supervisors
2. Employee Benefits (N) Service & Support Admin	\$ 25,229	\$ (25,229)	\$ -	To reclassify benefits for first line supervisors
4. Other Expenses (N) Service & Support Admin	\$ 3,223	\$ (2,528)	\$ 695	To reclassify SSA expenses
Worksheet 3				
5. COG Expenses (L) Community Residential	\$ -	\$ 65	\$ 65	To agree to audited COG amounts
5. COG Expenses (M) Family Support Services	\$ -	\$ 51	\$ 51	To agree to audited COG amounts
5. COG Expenses (N) Service & Support Admin	\$ -	\$ 61	\$ 61	To agree to audited COG amounts
Worksheet 5				
4. Other Expenses (M) Family Support Services	\$ 16,726	\$ (16,726)	\$ -	To reclassify fees paid to COG
5. COG Expenses (L) Community Residential	\$ 2,250	\$ 9,763	\$ 12,013	To agree to audited COG amounts
5. COG Expenses (M) Family Support Services	\$ -	\$ 9,381	\$ 9,381	To agree to audited COG amounts
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ 44,735	\$ 125,082	\$ 169,817	To correct MAC amounts
1. Salaries (O) Non-Federal Reimbursable	\$ 21,052	\$ 52,432	\$ 73,484	To correct MAC amounts
Worksheet 7B				
1. Salaries (E) Facility Based Services	\$ -	\$ 2,396	\$ 2,396	To reclassify nursing salaries
2. Employee Benefits (E) Facility Based Services	\$ -	\$ 482	\$ 482	To reclassify nursing benefits
		\$ 375	\$ 857	To reclassify workers comp for nursing
3. Service Contracts (E) Facility Based Services	\$ -	\$ 150	\$ 150	To reclassify nursing expenses
4. Other Expenses (E) Facility Based Services	\$ -	\$ 156	\$ 156	To reclassify nursing expenses
13. No. of Individual Served (E) Facility Based Services	-	45	45	To report individuals served
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 154,507	\$ 33,023	\$ 187,530	To reclassify salaries for first line supervisors
		(52,964)	134,566	To correct MAC amounts
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 85,077	\$ 25,229	\$ 110,306	To reclassify benefits for first line supervisors
3. Service Contracts (N) Service & Support Admin. Costs	\$ 16,691	\$ (9,039)	\$ 7,652	To reclassify fees paid to COG
		\$ 2,528	\$ 10,180	To reclassify SSA expenses
5. COG Expenses (N) Service & Support Admin. Costs	\$ -	\$ 11,266	\$ 11,266	To agree to audited COG amounts
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 154,481	\$ 37,280	\$ 191,761	To reclassify salaries for first line supervisors
		(2,396)	189,365	To reclassify nursing salaries
		(41,184)	148,181	To correct MAC amounts
		\$ 15,979	\$ 164,160	To reclassify facility based salaries
2. Employee Benefits (E) Facility Based Services	\$ 111,018	\$ 44,367	\$ 155,385	To reclassify benefits for first line supervisors
		\$ 4,149	\$ 159,534	To reclassify facility based benefits
		(482)	\$ 159,052	To reclassify nursing benefits

Appendix B
Morgan County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
3. Service Contracts (E) Facility Based Services	\$ 41,065	\$ (156)		To reclassify nursing expenses
		\$ (25,000)		To reclassify Community Employment expenses
		\$ (150)	\$ 15,759	To reclassify nursing expenses
3. Service Contracts (G) Community Employment	\$ -	\$ 25,000	\$ 25,000	To reclassify Community Employment expenses
4. Other Expenses (E) Facility Based Services	\$ 16,225	\$ (375)		To reclassify workers comp for nursing
		\$ (111)	\$ 15,739	To reclassify non-federal reimbursable expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 111	\$ 111	To reclassify non-federal reimbursable expenses
a1adult				
10. Community Employment (B) Less Revenue	\$ -	\$ 25,000	\$ 25,000	To off-set Pathways grant expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Real Estate Fees	\$ -	\$ (32,339)	\$ (32,339)	To reconcile off real estate fees
Plus: Leases and rentals	\$ -	\$ 1,125	\$ 1,125	To reclassify capital lease payments
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 2,519		To reclassify fees paid to COG
		\$ 16,726		To reclassify fees paid to COG
		\$ 9,039	\$ 28,284	To reclassify fees paid to COG
Less: Capital Costs	\$ (175,412)	\$ 69,735	\$ -	To reconcile off depreciation
		\$ (3,869)	\$ (109,546)	To reconcile off depreciation
Less: Schedule A COG expense	\$ -	\$ (2,250)	\$ (2,250)	To agree to audited COG amounts
Medicaid Administration Worksheet				
Lines 6 -10 Ancillary Costs	\$ -	\$ 8,491	\$ 8,491	To report ancillary costs



Dave Yost • Auditor of State

MORGAN COUNTY BOARD PF DEVELOPMENTAL DISABILITIES

MORGAN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 14, 2013**